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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-935, C-570-936]

Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China:
Continuation of Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the "Department") has determined that revocation of the antidumping duty ("AD") order on circular welded carbon quality steel line pipe from the People's Republic of China ("PRC") would likely lead to continuation or recurrence of dumping, and that revocation of the countervailing duty ("CVD") order on circular welded carbon quality steel line pipe from the PRC would likely lead to continuation or recurrence of a countervailable subsidy. The U.S. International Trade Commission (the "USITC") has also determined that revocation of these AD and CVD orders would likely lead to a continuation or recurrence of material injury to an industry in the United States. The Department is publishing this notice of the continuation of these AD and CVD orders.

EFFECTIVE DATE: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Lori Apodaca (AD order) or Kristen Johnson (CVD order), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-4551 and (202) 482-4793, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 2, 2013, the Department initiated the first five-year (“sunset”) reviews of the AD and CVD order on circular welded carbon quality steel line pipe from the PRC pursuant to sections 751(c) and 752 of the Tariff Act of 1930, as amended (the “Act”).¹ As a result of its reviews, the Department found that revocation of the AD order would likely lead to continuation or recurrence of dumping and that revocation of the CVD order would likely lead to continuation or recurrence of subsidization, and notified the USITC of the margins of dumping and the subsidy rates likely to prevail were the orders to be revoked.²

On May 8, 2014, the USITC published its determination, pursuant to section 751(c)(1) and section 752(a) of the Act, that revocation of the AD and CVD orders on circular welded carbon quality steel line pipe from the PRC would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.³

Scope of the Orders

The products covered by these AD and CVD orders are circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe) not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

¹ See *Initiation of Five-Year (“Sunset”) Review*, 78 FR 72061 (December 2, 2013).

² See *Circular Welded Carbon-Quality Steel Line Pipe From the People’s Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 19052 (April 7, 2014) and *Circular Welded Carbon Quality Steel Line Pipe From the People’s Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, 79 FR 15313 (March 19, 2014).

³ See *Circular Welded Carbon-Quality Steel Line Pipe from China*, 79 FR 26454 (May 8, 2014); see also USITC Publication 4464 (May 2014) entitled *Circular Welded Carbon-Quality Steel Line Pipe from China* (Inv. Nos. 701-TA-455 and 731-TA-1149 (Review)).

The term “carbon quality steel” includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for non alloy steels imposed in the Harmonized Tariff Schedule of the United States (“HTSUS”). Specifically, the term “carbon quality” includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:

- (i) 2.00 percent of manganese,
- (ii) 2.25 percent of silicon,
- (iii) 1.00 percent of copper,
- (iv) 0.50 percent of aluminum,
- (v) 1.25 percent of chromium,
- (vi) 0.30 percent of cobalt,
- (vii) 0.40 percent of lead,
- (viii) 1.25 percent of nickel,
- (ix) 0.30 percent of tungsten,
- (x) 0.012 percent of boron,
- (xi) 0.50 percent of molybdenum,
- (xii) 0.15 percent of niobium,
- (xiii) 0.41 percent of titanium,
- (xiv) 0.15 percent of vanadium, or
- (xv) 0.15 percent of zirconium.

Welded line pipe is normally produced to specifications published by the American Petroleum Institute (“API”) (or comparable foreign specifications) including API A-25, 5LA,

5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API welded line pipe stencil is covered by the scope of the orders.

Excluded from the scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term “painted” does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)

The welded line pipe products that are the subject of the orders are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Continuation of the Orders

As a result of the determinations by the Department and the USITC that revocation of these AD and CVD orders would likely lead to continuation or recurrence of dumping or a countervailable subsidy, and material injury to an industry in the United States, pursuant to sections 751(c) and 751(d)(2) of the Act, the Department hereby orders the continuation of the AD and CVD orders on circular welded carbon quality steel line pipe from the PRC.

U.S. Customs and Border Protection will continue to collect cash deposits at the rates in effect at the time of entry for all imports of subject merchandise. The effective date of the continuation of these orders is the date of publication in the *Federal Register* of this notice of

continuation. Pursuant to section 751(c)(2) of the Act, the Department intends to initiate the next five-year review of these orders not later than 30 days prior to the fifth anniversary of the effective date of the continuation.

These five-year (sunset) reviews and notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

_Dated: May 13, 2014.

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